

EXAMINER'S BANKING PRACTICES SURVEY

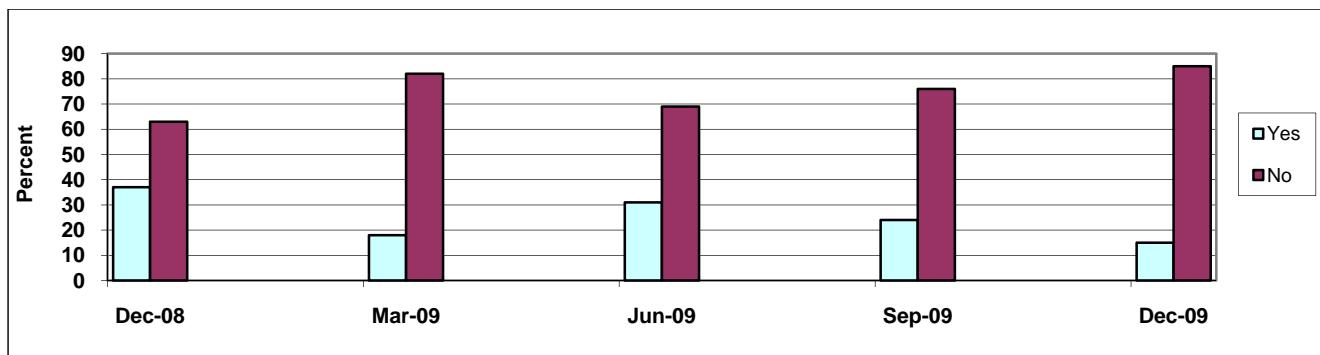
Fourth Quarter 2009

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **Fourth Quarter 2009** results are compiled from **34** responses.

LENDING

1. Since the last examination, has the institution significantly increased lending activity in any particular segment of the portfolio? "Significantly" means growth of 20% or more.



Of yes responses:

Loan Type	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
RE/Const/Land Devel	15%	16%	12%	22%	25%
RE/Agricultural	10%	16%	15%	17%	25%
RE/Commercial/Indust	35%	15%	21%	22%	25%
RE/Residential	10%	23%	12%	11%	0%
Agricultural	10%	15%	9%	6%	0%
Commercial/Industrial	15%	15%	24%	22%	17%
Consumer	5%	0%	7%	0%	8%

2. Is the institution active in making the following types of loans?

	Mar-09		Jun-09		Sep-09		Dec-09	
	Yes 4%	No 96%	Yes 6%	No 94%	Yes 5%	No 95%	Yes 0%	No 100%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	0%		0%		100%		0%	
Dealer paper	0%		100%		0%		0%	
Low or No-doc bus. lending	0%		0%		0%		0%	
High LTV home eq. lending	100%		0%		0%		0%	

3. Is the bank offering below market interest rates or reduced fees to attract loans?

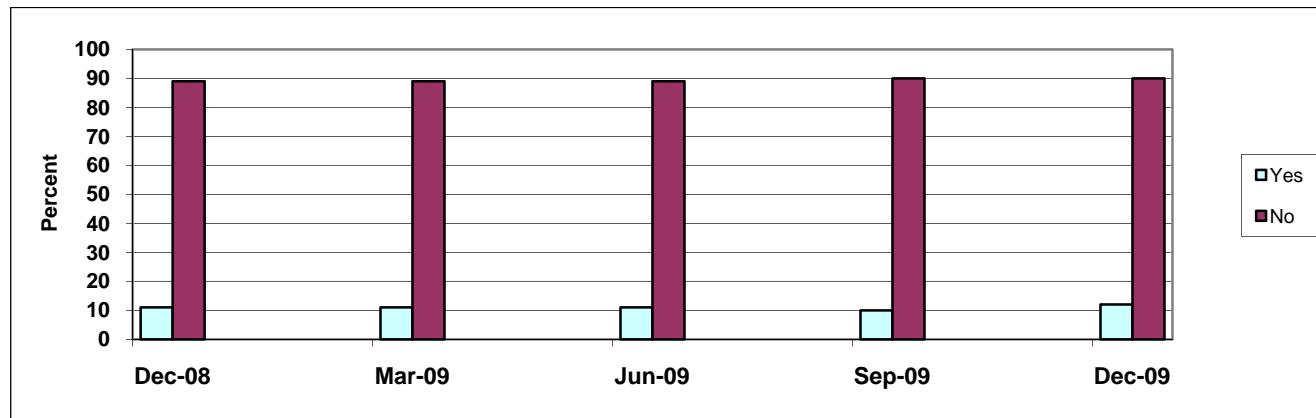
	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
Yes	7%	0%	6%	0%	3%
No	93%	100%	94%	100%	97%

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4. Does the institution use credit scoring models for loan decisions?

	Mar-09		Jun-09		Sep-09		Dec-09	
	Yes 22%	No 78%	Yes 11%	No 89%	Yes 10%	No 90%	Yes 12%	No 88%
Of Yes Responses - Loan type								
Credit card	0%		14%		8%		0%	
Consumer	45%		29%		31%		44%	
Residential mortgage	36%		29%		31%		44%	
Small business	19%		21%		23%		12%	
Other	0%		7%		7%		0%	

5. Are there indications the bank is incurring "more-than-normal" risk to boost new loans?



Of yes responses:

	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
Making collateral based loans?	0%	29%	11%	12%	22%
Reduced collateral margins?	17%	0%	22%	25%	11%
Not requiring cash flow projections?	50%	29%	22%	25%	34%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	33%	42%	11%	13%	22%
Waiving guarantees or other documentation?	0%	0%	11%	12%	11%
Other	0%	0%	23%	13%	0%

6. Describe potential risk in current underwriting practices for:

	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
Agricultural Loans					
Minimal	93%	82%	88%	84%	88%
Moderate	7%	18%	9%	16%	12%
Substantial	0%	0%	3%	0%	0%
Commercial Loans					
Minimal	52%	48%	63%	47%	53%
Moderate	48%	44%	31%	44%	41%
Substantial	0%	8%	6%	9%	6%
Consumer Loans					
Minimal	82%	63%	83%	68%	79%
Moderate	18%	33%	14%	32%	18%
Substantial	0%	4%	3%	0%	3%
Residential Loans					
Minimal	82%	63%	80%	79%	76%
Moderate	18%	33%	20%	21%	21%
Substantial	0%	4%	0%	0%	3%

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7. Differences between actual lending practices and written policies are:

	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
Agricultural Loans					
Minimal	93%	93%	94%	95%	97%
Moderate	7%	7%	6%	5%	3%
Substantial	0%	0%	0%	0%	0%
Commercial Loans					
Minimal	74%	74%	80%	74%	74%
Moderate	26%	19%	17%	21%	24%
Substantial	0%	7%	3%	5%	3%
Consumer Loans					
Minimal	92%	89%	94%	92%	94%
Moderate	4%	7%	6%	8%	6%
Substantial	4%	4%	0%	0%	0%
Residential Loans					
Minimal	89%	78%	91%	92%	82%
Moderate	11%	18%	6%	8%	18%
Substantial	0%	4%	3%	0%	0%

8. With regard to agricultural loans, describe the potential risk the bank faces from:

	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
Carryover Debt					
Minimal	96%	81%	89%	84%	91%
Moderate	4%	15%	11%	16%	9%
Substantial	0%	4%	0%	0%	0%
Phase-out of Farm Subsidies					
Minimal	92%	89%	91%	79%	91%
Moderate	4%	11%	9%	21%	9%
Substantial	4%	0%	0%	0%	0%
Drop in Land Values					
Minimal	89%	67%	80%	74%	97%
Moderate	7%	26%	17%	26%	3%
Substantial	4%	7%	3%	0%	0%

9. Has the ratio of Total Adversely Classified Items/Tier 1 Capital & ALLL increased (+) or decreased (-) since the prior examination?

No. Banks with Inc/(Dec) in ratio (%)	Mar-09		Jun-09		Sep-09		Dec-09	
	+	-	+	-	+	-	+	-
Average Inc/(Dec) in Ratio	24.2	(2.1)	22.3	(9.1)	29.5	(9.7)	23.0	(16.0)
Cause of Increase								
Eased underwriting standards	2%		2%		0%		2%	
Deterioration in new loans	4%		8%		2%		4%	
Deterioration in older loans	39%		43%		43%		43%	
Participations or out-of-territory	11%		4%		8%		8%	
Economic conditions	33%		37%		40%		39%	
Changes in lending personnel	2%		2%		2%		2%	
New types of lending activity	2%		0%		0%		0%	
Other	7%		4%		5%		2%	

10. Estimate loan classifications at this examination into the following types:

Loan Type	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
RE/Const/Land Development	60%	36%	25%	48%	53%
RE/Agriculture	1%	1%	2%	1%	1%
RE/Commercial/Industrial	16%	34%	35%	29%	29%
RE/Residential	7%	6%	15%	9%	6%
Agricultural	1%	1%	1%	0%	0%
Commercial/Industrial	14%	20%	16%	10%	9%
Consumer	1%	2%	6%	3%	2%

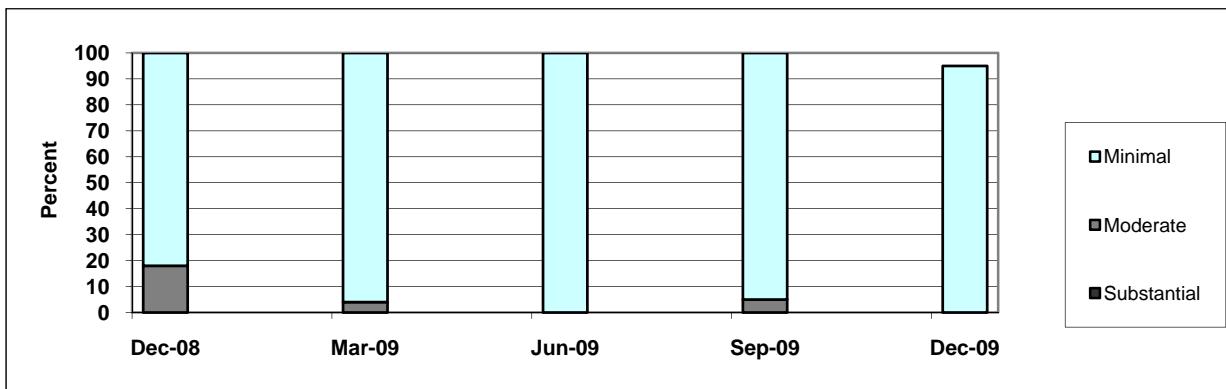
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INVESTMENTS

11. Since the last examination, has the institution purchased securities without understanding the characteristics of the issue?

	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
Yes	4%	4%	0%	0%	0%
No	96%	96%	100%	100%	100%

12. Differences between actual investment practices and written policies are:



OTHER

13. Has the bank established a borrowing line with FHLB?

	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
Yes	74%	74%	91%	95%	94%
No	26%	26%	9%	5%	6%
If yes, does the bank actively borrow from the FHLB?					
Yes	80%	80%	78%	75%	84%
No	20%	20%	22%	25%	16%

14. Does the bank hold off-balance sheet derivatives?

	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
Yes	4%	4%	6%	5%	9%
No	96%	96%	94%	95%	91%

15. List nontraditional activity the institution is engaged in.

	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
Yes	89%	78%	91%	82%	85%
No	11%	22%	9%	18%	15%
Of those that do:					
Nondeposit Investment Sales	20%	25%	15%	18%	18%
Insurance Sales	8%	6%	8%	8%	7%
Real Estate Loan Secondary Market Sales	24%	29%	28%	31%	31%
Non-transactional Web Site	10%	4%	12%	6%	7%
Transactional Web Site	36%	34%	37%	37%	35%
Other	2%	2%	0%	0%	2%